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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/604,696	06/26/2000	Philip Carragher	Carr-P1-00	4961

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EXAMINER

KARMIS, STEFANOS

ART UNIT	PAPER NUMBER
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3624

DATE MAILED: 09/15/2003

Please find below and/or attached an Office communication concerning this application or proceeding.

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Office Action Summary	Application No.		Applicant(s)	
	09/604,696		CARRAGHER ET AL.	
	Examiner		Art Unit	
	Stefano Karmis		3624	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 16 June 2003.
- 2a) ☒ This action is FINAL. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-31 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-31 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on _____ is: a) ☐ approved b) ☐ disapproved by the Examiner.
If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
* See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).
a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) Paper No(s). _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449) Paper No(s) _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

1. This communication is in response to Applicants' amendment filed on June 16, 2003.

Status of Claims

2. Claims 1-27 have been left as originally filed. Claims 28-31 have been amended in the same amendment. Therefore claims, 1-31 are under prosecution in this application.

Summary of this Office Action

3. Applicants' arguments filed on June 16, 2003 have been fully considered, and discussed in the next section below or within the flowing rejection are not deemed to be persuasive. Therefore claims 1-31 have been rejected under the art cited below and Applicants' request for allowance is respectfully denied.

Response to Applicants' Amendment

4. The Examiner acknowledges Applicants' corrections to the claim objection of improper number and therefore withdraws the previous claim objection. The Examiner acknowledges Applicants' arguments in the remarks with respect to the 35 U.S.C. 103 rejection and therefore withdraws the previous office action's claim rejection for claims 1-31. Any other arguments are moot in view of new grounds of rejection listed below.

Claim Rejections - 35 USC § 102

5. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

6. Claims 1-2, 4-5, 9, 15, 19, and 28-29 are rejected under 35 U.S.C. 102(e) as being clearly anticipated by McMullin U.S. Patent 6,222,914.

Regarding independent claim 1, McMullin discloses a method for card-activity based mortgage crediting, including the steps of associating card activity with a mortgage of a cardholder and crediting an amount to the mortgage responsive to the card activity (column 2, lines 32-43) and (column 5, lines 59-67). A computer system is used to generate output for the card activity and mortgage crediting (column 6, lines 51-61).

Claim 2, communicating a funds transfer to the cardholder (column 5, lines 13-21).

Claims 4 and 5, communicating a funds transfer to the sponsor providing service includes the transfer of funds (column 4, lines 8-21).

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Claim 9, the participant participates in the credit activity with the mortgage in response to an instruction from the cardholder by enrolling and selecting the mortgage sponsor (column 3, lines 39-67).

Claim 15, the step of changing is carried out in response to the instruction from the mortgage holder received over a network (column 6, lines 51-67).

Claim 19, associating a monthly payment with the mortgage and communicating a funds transfer including the payment to a mortgage service provider (column 4, lines 8-32) and (column 5, lines 47-67).

Regarding independent claims 28 and 29, McMullin discloses a method for card-activity based mortgage crediting by electronic means, including the steps of associating card activity with a mortgage of a cardholder and crediting an amount to the mortgage responsive to the card activity (column 2, lines 32-43) and (column 5, lines 59-67). A computer system is programmed to generate output for the card activity and mortgage crediting and transfer of funds from computer to computer (column 6, lines 51-61).

Claim Rejections - 35 USC § 103

7. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

8. The text of those sections of Title 35, U.S. Code not included in this action can be found in a prior Office action.

9. The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

10. Claims 7-8, 10-14, 17-18, 20-22, and 24 are rejected under 35 U.S.C. 103(a) as being unpatentable over McMullin U.S. Patent 6,222,914 in view of Simpson U.S. Patent 6,070,153.

Claims 7 and 8, McMullin fails to teach forecasting repayment of the mortgage in the output communicated to the cardholder. Official Notice is taken that forecasting payments is old and well known in the financial arts. Therefore it would have been obvious to one of ordinary skill in the art at the time of the Applicants' invention to include forecasting on the periodic

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statements because it provides financial information relating to the transaction which greater assists the cardholder's understanding of account.

Claims **10** and **20**, McMullin teaches that the participant participates in the credit activity with the mortgage in response to an instruction from the cardholder by enrolling and selecting the mortgage sponsor (column 3, lines 39-67). McMullin fails to teach the ability to allocate credit activity to a second mortgage. Official Notice is taken that funding a second mortgage is old and well known in the financial arts. Therefore it would have been obvious to one of ordinary skill in the art to include allocating credit activity to a second mortgage because second mortgages are common practice and credit activity is already associated with a first mortgage which has the same criteria any number of additional mortgages added to the system.

Claim **11**, McMullin fails to teach allocating a portion of credit activity between interest and principle for the mortgage in response to instructions from a cardholder. Simpson teaches a system and method for automatically funding an investment account based on credit card activity (column 1, lines 54-58). A portion of either the amount charged to the credit card for the purchase of goods and services or a portion of the interest paid on the outstanding balance of the credit card or combination thereof would be invested each month in the Investment Account (column 1, lines 54-58).

Therefore it would have been obvious to someone of ordinary skill in the art, that the teachings of McMullin to use card activity to help fund a mortgage could include the teachings of Simpson in which payment can be allocated between principle and interest because mortgages

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carry both principle and interest in the same manner that Investment Accounts carry both principle and interest as taught by Simpson.

Claims 12-14, McMullin and Simpson teach that cardholders or customer makes allocating decisions. McMullin and Simpson fail to teach the mortgage holder or sponsor organization providing instructions based on credit activity. Official Notice is taken that having decisions performed by a member in the system is old and well known in the art. Therefore it would have been obvious to someone of ordinary skill in the art to allow for the sponsor organization to make allocation decisions because the sponsor is directly involved in providing the discounts and therefore would have influence in the manner in which the financial transactions are performed.

Claim 17, McMullin teaches on a periodic basis computing a statement of said crediting and communicating the statement to the cardholder. McMullin fails to teach an annual statement. Official Notice is taken that annual statement are old and well known in the financial arts. Therefore it would have been obvious to one of ordinary skill in the art at the time of the Applicants' invention to modify the teachings of McMullin to include an annual statement since it provides a customer would desire to review and simply combines the periodic statements McMullin teaches into one summary statement.

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Claim 18, Simpson teaches that the statement includes computing interest paid by the crediting based on an Investment Account associated with card activity (column 5, lines 31-40). Simpson fails to teach providing the financial service for mortgages.

Therefore it would have been obvious to someone of ordinary skill in the art, that the teachings of McMullin to use card activity to help fund a mortgage could include the teachings of Simpson in which the statements include the mortgage interest because mortgages carry interest in the same manner that Investment Accounts carry interest as taught by Simpson.

Claims 21, McMullin teaches that the participant participates in the credit activity with the mortgage in response to an instruction from the cardholder by enrolling and selecting the mortgage sponsor (column 3, lines 39-67) and providing necessary output (column 6, lines 51-67). McMullin fails to teach the ability to allocate credit activity from a second cardholder. Official Notice is taken that funding from a second cardholder is old and well known in the financial arts. Therefore it would have been obvious to one of ordinary skill in the art to include allocating credit activity from a second cardholder because any number of cards could be added to associate card activity with the mortgage since they all perform in the same manner as the original card used to fund the mortgage.

Claim 22, McMullin teaches a computer system is used to generate output for the card activity and mortgage crediting (column 6, lines 51-61) for a first cardholder. McMullin fails to teach generating the output for a second cardholder. Official Notice is taken that funding from a

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second cardholder is old and well known in the financial arts. Therefore it would have been obvious to one of ordinary skill in the art to include allocating credit activity from a second cardholder because any number of cards could be added to associate card activity with the mortgage since they all perform in the same manner as the original card used to fund the mortgage.

Claim 24, McMullin fails to teach the use of a second computer for mortgage-backed security in response to indicia of crediting. Official Notice is taken that valuations are old and well known in the financial arts. Therefore it would have been obvious to one of ordinary skill in the art at the time of the Applicants' invention that a computer could be used to compute a valuation of mortgage-backed security because it helps provide a better understanding of the performance of the mortgage in the system.

11. Claims 3, 6, 25-27 and 30-31 are rejected under 35 U.S.C. 103(a) as being unpatentable over McMullin U.S. Patent 6,222,914 in view of DeLapa U.S. Patent 6,076,068.

Claims 3 and 6, McMullin teaches communicating a discount for the mortgage to a customer by electronic means. McMullin fails to teach printing a check, a coupon for the mortgage and combining them with a statement of card activity in an envelope and addressing to the cardholder. DeLapa teaches a coupon delivery system in which that provides targeted coupons based on purchases by a household (Abstract). DeLapa teaches prior art in which coupons are placed in an addressed envelope and mailed to the customer (column 2, lines 20-65). DeLapa fails to teach including in the envelope a statement and check. Official Notice is taken that providing account information is old and well known in the art. Therefore it would have been obvious to one of ordinary skill in the art to allow for statements and checks to be included in the envelope because they communicate to the cardholder the manner in which the coupon is received.

Regarding claims 25-27 and 30-31, McMullin teaches communicating a discount for the mortgage to a customer by electronic means. McMullin fails to teach printing a check, a coupon for the mortgage and combining them with a statement of card activity in an envelope and addressing to the cardholder. DeLapa teaches a coupon delivery system in which that provides targeted coupons based on purchases by a household (Abstract). DeLapa teaches prior art in which a kiosk can receive electronic instruction to print coupons and have them placed in an addressed envelope and mailed to the customer (column 2, lines 20-65). DeLapa fails to teach including in the envelope a statement and check. Official Notice is taken that providing account information is old and well known in the art. Therefore it would have been obvious to one of

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ordinary skill in the art to allow for statements and checks to be included in the envelope because they communicate to the cardholder the manner in which the coupon is received.

12. Claims 16 and 23 are rejected under 35 U.S.C. 103(a) as being unpatentable over McMullin U.S. Patent 6,222,914 in view of Hovakimian U.S. Patent 5,466,919.

Claims 16 and 23, McMullin teaches that the participant participates in the credit activity with the mortgage in response to an instruction from the cardholder by enrolling and selecting the mortgage sponsor (column 3, lines 39-67). McMullin fails to teach the ability to allocate a portion of the credit activity to a charity issuing a tax deduction statement to the cardholder. Hovakimian teaches a method, which enables credit card holders to contribute to charities, based on their credit card purchases. Therefore it would have been obvious to one of ordinary skill in the art, that the card activity based deductions to mortgage taught by McMullin could be modified to include card activity based deductions to charities as taught by Hovakimian because both utilize card activity to allocate funds to different accounts.

Conclusion

13. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO**

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MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Stefano Karmis whose telephone number is (703) 305-8130. The examiner can normally be reached on M-F: 8-5.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached on (703) 308-1065. The fax phone number for the organization where this application or proceeding is assigned is (703) 872-9306.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is (703) 306-1113.

Respectfully Submitted
Stefano Karmis
September 4, 2003



HANI M. KAZIMI
PRIMARY EXAMINER